

REFERENCE TITLE: ASRS; LTD; unclaimed monies

State of Arizona  
House of Representatives  
Forty-eighth Legislature  
Second Regular Session  
2008

## **HB 2127**

Introduced by  
Representative McClure

### AN ACT

AMENDING TITLE 38, CHAPTER 5, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SECTION 38-722; AMENDING SECTION 38-797.02, ARIZONA REVISED STATUTES; MAKING AN APPROPRIATION; RELATING TO THE ARIZONA STATE RETIREMENT SYSTEM.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Title 38, chapter 5, article 2, Arizona Revised Statutes,  
3 is amended by adding section 38-722, to read:

4       38-722. Abandoned monies: disposition

5       A. THE TRUST FUND ESTABLISHED BY SECTION 38-712 IS EXEMPT FROM TITLE  
6 44, CHAPTER 3.

7       B. MONIES IN THE ASRS TRUST FUND AND THE LTD TRUST FUND ESTABLISHED BY  
8 SECTION 38-797.02 ARE PRESUMED ABANDONED IF THE APPARENT OWNER HAS NOT  
9 COMMUNICATED IN WRITING WITH ASRS AND HAS NOT OTHERWISE INDICATED AN INTEREST  
10 IN THE MONIES FOR ANY THREE YEAR PERIOD FOLLOWING THE REQUIRED BEGINNING DATE  
11 OF DISTRIBUTIONS PURSUANT TO SECTION 38-775.

12       C. AT THE TIME MONIES ARE PRESUMED ABANDONED PURSUANT TO SUBSECTION B  
13 OF THIS SECTION, ANY OTHER PROPERTY RIGHT ACCRUED OR ACCRUING TO THE OWNER AS  
14 A RESULT OF THE INTEREST IN THOSE MONIES, AND NOT PREVIOUSLY PRESUMED  
15 ABANDONED, IS ALSO PRESUMED ABANDONED.

16       D. INTEREST CEASES TO ACCRUE ON THE MONIES ON THE DATE THE MONIES ARE  
17 PRESUMED ABANDONED.

18       E. BEFORE MONIES ARE PRESUMED ABANDONED, ASRS SHALL ATTEMPT TO CONTACT  
19 THE APPARENT OWNER IN WRITING. BEGINNING FIVE YEARS BEFORE THE APPARENT  
20 OWNER'S REQUIRED BEGINNING DATE OF DISTRIBUTIONS PURSUANT TO SECTION 38-775  
21 UNTIL THREE YEARS AFTER THAT DATE, ASRS SHALL ANNUALLY SEND A LETTER TO THE  
22 APPARENT OWNER NOTIFYING THE APPARENT OWNER OF THE OWNER'S ELIGIBILITY FOR A  
23 RETIREMENT BENEFIT. IF THIS LETTER IS RETURNED BY THE POSTAL AUTHORITY AS  
24 UNDELIVERABLE, ASRS SHALL MAKE A GOOD FAITH ATTEMPT TO LOCATE THE APPARENT  
25 OWNER, INCLUDING CONTACTING ANY KNOWN BENEFICIARY ON RECORD WITH ASRS,  
26 SEARCHING PUBLIC DATABASES TO IDENTIFY THE ADDRESS OF THE APPARENT OWNER OR  
27 USING THE SERVICES OF A THIRD-PARTY ADDRESS VERIFICATION SERVICE. IF THE  
28 GOOD FAITH ATTEMPT TO LOCATE THE APPARENT OWNER FAILS AND THE BASE AMOUNT OF  
29 THE UNCLAIMED MONIES IS THREE HUNDRED DOLLARS OR MORE, ASRS MAY USE THE  
30 SERVICES OF A PEOPLE SEARCH SERVICE. A FEE IMPOSED BY THE PEOPLE SEARCH  
31 SERVICE SHALL NOT BE DEDUCTED FROM THE MEMBER'S BENEFIT AND THESE  
32 EXPENDITURES ARE CONTINUOUSLY APPROPRIATED AND SHALL BE PAID FROM THE  
33 ADMINISTRATION ACCOUNT ESTABLISHED PURSUANT TO SECTION 38-721 IN THE AMOUNT  
34 DEEMED NECESSARY BY THE BOARD.

35       F. IF AT ANY TIME THE APPARENT OWNER ESTABLISHES AN ENTITLEMENT IN THE  
36 MONIES, ASRS SHALL WITHDRAW THE MONIES FROM EITHER THE ASRS TRUST FUND OR THE  
37 LTD TRUST FUND, WHICHEVER IS APPLICABLE, AND PAY THE OWNER THE MONIES OR  
38 BENEFIT TO WHICH THE OWNER IS ENTITLED PURSUANT TO SECTION 38-757, 38-762,  
39 38-773, 38-775 OR 38-797.07, EXCEPT THAT INTEREST SHALL NOT BE PAID FROM THE  
40 DATE THE MONIES ARE PRESUMED ABANDONED.

41       Sec. 2. Section 38-797.02, Arizona Revised Statutes, is amended to  
42 read:

43       38-797.02. LTD trust fund

44       A. ~~A~~ THE LTD trust fund is established for the purpose of paying  
45 benefits under and costs of administering the LTD program.

1       B. The LTD **TRUST** fund consists of all monies paid into it in  
2 accordance with this article, whether in the form of cash, securities or  
3 other assets, and all monies received from any other source. **THE LTD TRUST**  
4 **FUND IS EXEMPT FROM TITLE 44, CHAPTER 3. ABANDONED MONIES SHALL BE DISPOSED**  
5 **OF PURSUANT TO SECTION 38-722.**

6       C. Custody, management and investment of the LTD **TRUST** fund are as  
7 prescribed by this article and article 2 of this chapter.

8           Sec. 3. **Appropriation; ASRS abandoned monies; exemption**

9       A. The sum of \$137,607 is appropriated from the Arizona state  
10 retirement system administration account in fiscal year 2008-2009 to the  
11 Arizona state retirement system for the administrative implementation of this  
12 act.

13       B. The appropriation made in subsection A of this section is exempt  
14 from the provisions of section 35-190, Arizona Revised Statutes, relating to  
15 lapsing of appropriations.

16           Sec. 4. **Retroactivity**

17       Section 38-722, Arizona Revised Statutes, as added by this act, is  
18 effective and section 38-797.02, Arizona Revised Statutes, as amended by this  
19 act, applies retroactively to from and after June 30, 2008.